

I strictly just get my entire amount of whatever's been credited to my account out and cashed.

I use it just like a checking account – I leave my money in there and use it as I need to.

When they used to give us a check, I would be broke...I have some money from payday to payday now.

# **An Overview of Changes in Payment Devices & Systems**

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# Changes in Payment Streams

	2000	2003
Checks	58% of # 66% of \$	45% of # 59% of \$
Credit card	22	23
Debit card	11	19
ACH	8% of # 31% of \$	11% of # 37% of \$

# Changes over Time

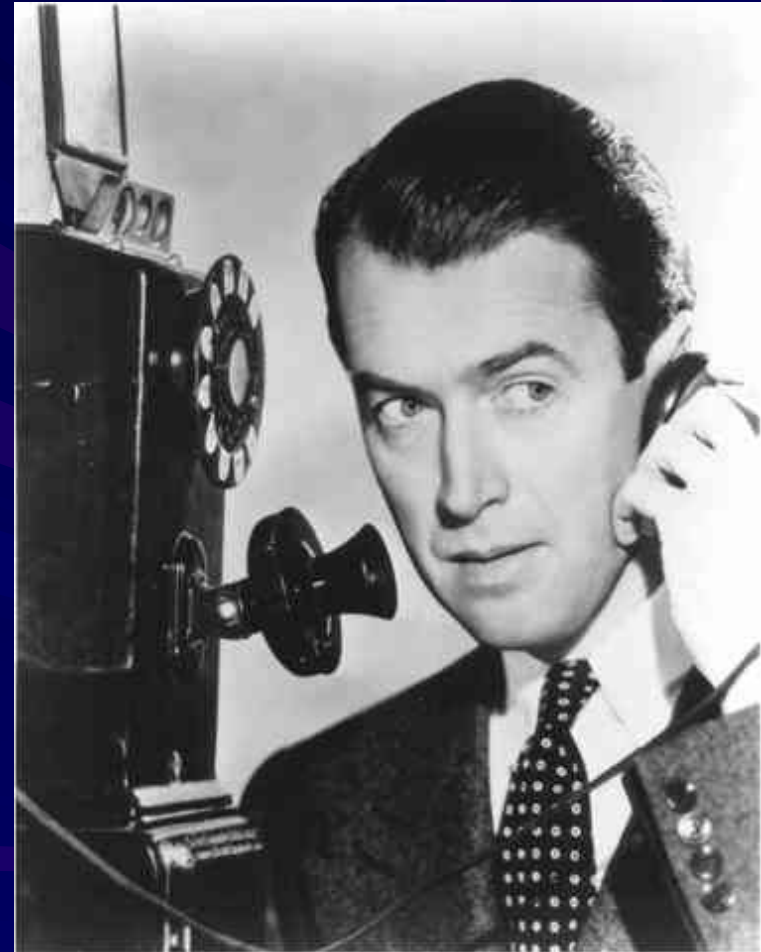
	2001*	2003**	2004*
ATMs	58%	65%	74%
Direct deposit	73	70	71
Phone banking	23	44	39
Debit cards	50	54	59
Auto. bill paying	44	46	47
PC banking	21	32	32

\* Survey of Consumer Finances

\*\* Surveys of Consumers

# “Old Technology”

- ATMs
- Direct deposit
- Phone banking/bill paying
- Automatic bill paying



# Paper, Plastic, or Electrons?

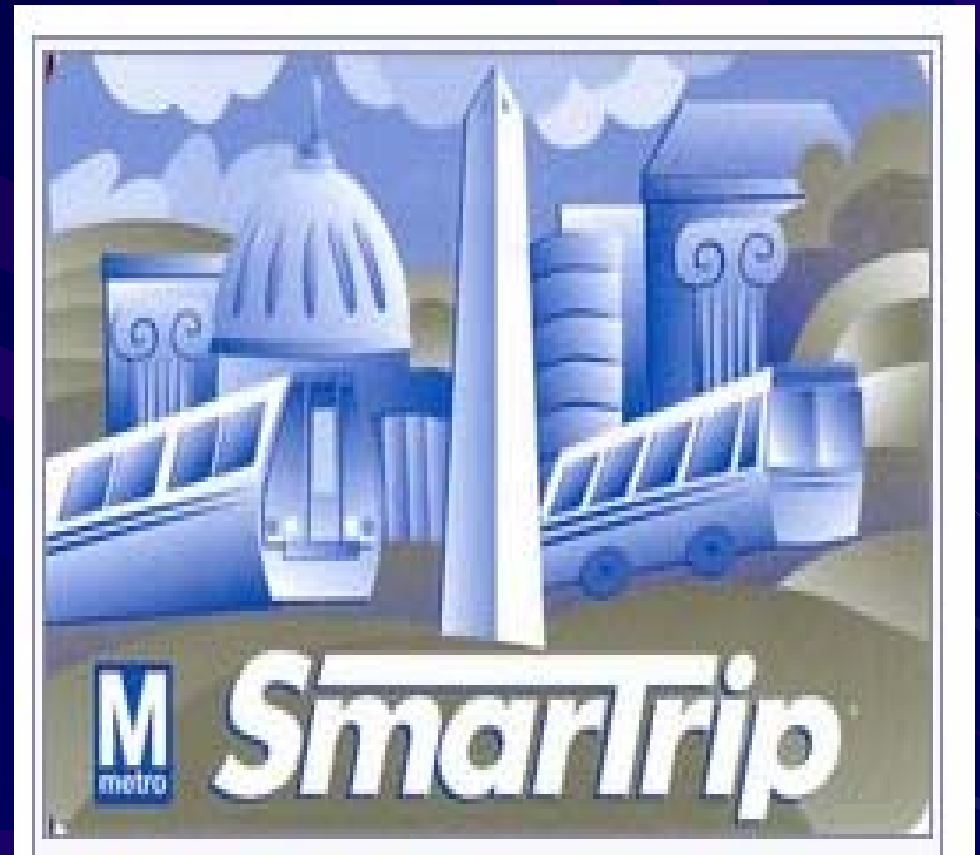
- Fewer checks, more debits
- When a check isn't a check -- electronic check conversion
- Payroll cards
- Prepaid cards
- Credit cards



ystem

# More Electrons

- On-line banking
- Internet transactions
- Contact-less devices (e.g. RFID)
  - Prepaid, debit, credit card billing
- Third-party billing





# Clusters of Consumers

- Non-users – not even old technologies
- Mega-users – use everything
- Underbanked
  - ATM & debit card group
  - Prepaid card group
- EZ bill payers (phone, PC, auto-payments)





# Challenges & Opportunities

- Improved financial management
- Fraud, privacy, identity theft
- Technology gaps
- Trust in the payment systems

